

SUMMARY OF SWB 94 TAX DATA

	Arkansas	Kansas	Missouri	Oklahoma	Texas	Company
Net Bal. 7210	-3,751,143	-4,562,510	-6,799,036	-6,587,295	-36,395,198	-58,095,183

	Arkansas	Kansas	Missouri	Oklahoma	Texas	Company
Net Bal. 7220	45,263,228	51,350,881	98,037,192	76,484,781	407,440,398	678,576,480

	Arkansas	Kansas	Missouri	Oklahoma	Texas	Company
Net Bal. 7230	9,291,595	12,246,609	16,989,844	12,546,821	0	51,074,869

	Arkansas	Kansas	Missouri	Oklahoma	Texas	Company
Net Bal. 7240	15,199,964	52,471,471	88,742,913	36,677,355	322,066,855	515,158,558

	Arkansas	Kansas	Missouri	Oklahoma	Texas	Company
Net Bal. 7250	-14,056,996	-16,111,214	-17,996,447	-39,040,621	-115,371,403	-202,576,681

	Arkansas	Kansas	Missouri	Oklahoma	Texas	
Grand Total						
7210-7250	51,946,648	95,395,237	178,974,466	80,081,041	577,740,652	984,138,044

The company figures in the far right column in the shaded cells match the corresponding figures on the ARMIS report. The ARMIS figures are in thousands.

CONDUIT MAINTENANCE EXPENSE

Conduit maintenance expense is computed by subtracting benefits and rents for the conduit account from the conduit maintenance expense.

State benefits and rents associated with conduit are not reported on ARMIS or on state annual reports. Therefore, SWB obtains these figures from the company report CAP1. Attached is a copy of the CAP1 page containing conduit benefits and rents for Kansas. Also attached is a copy of the Kansas annual report showing the total conduit maintenance expense.

Conduit Maintenance Expense Calculation

Conduit Maintenance Exp. 235,786

SS	2260
Relief & Pensions	<u>10893</u>
Total Benefits	13153

Rents 1114

Total Benefits & Rents	- 14,267
Balance Maintenance Exp.	<u>221,519</u>

Telephone Utility 1994 Annual Report

To The
State of Kansas



State Corporation Commission

for the year ending December 31, 19 94

Southwestern Bell Telephone Company

(Exact legal name of respondent) (If name was changed during year, show also name and date of change)

220 E. 6th Street, Topeka, Kansas 66603

(Address of principal business office at the end of the year)

Area Code 913 Telephone 276-8761

Gross operating revenues derived
from Kansas intrastate operations

\$547,954,000

21. OPERATING EXPENSES

Account No.	Operating Expense Accounts (a)	Amount for the Current Year (b)	Increase (Decrease) From Prior Year (c)
	PLANT SPECIFIC OPERATIONS EXPENSE		
	<u>Network Support Expenses</u>		
6112	Motor Vehicle Expense	\$ 632,737	\$ (34,581)
6113	Aircraft Expense	0	0
6114	Special Purpose Vehicles Expense	0	0
6115	Garage Work Equipment Expense	31,280	(2,247)
6116	Other Work Equipment Expense	46,656	(6,984)
	Total Network Support Expenses	\$ 710,673	\$ (43,812)
	<u>General Support Expenses</u>		
6121	Land and Building Expenses	\$ 19,372,316	\$ (495,100)
6122	Furniture and Artworks Expense	2,373,516	(118,156)
6123	Office Equipment Expense	4,048,968	(6,946)
6124	General Purpose Computers Expense	19,782,111	2,042,898
	Total General Support Expenses	\$ 45,576,911	\$ 1,422,696
	<u>Central Office Switching Expenses</u>		
6211	Analog Electronic Expense	\$ 5,277,188	\$ (48,837)
6212	Digital Electronic Expense	32,114,328	17,736,244
6215	Electro-Mechanical Expense	168,783	(719,419)
	Total Central Office Switching Expenses	\$ 37,560,299	\$ 16,967,988
6220	Operators System Expense	\$ 2,034,891	\$ 649,143
6230	Central Office Transmission Expense	\$ 8,104,885	\$ 821,391
	<u>Information/Origination/Termination Expense</u>		
6311	Station Apparatus Expense	\$ 3,063,502	\$ 2,925,281
6341	Large Private Branch Exchange Expense	298,382	266,983
6351	Public Telephone Terminal Equipment Expense	2,392,022	(447,916)
6362	Other Terminal Equipment Expense	15,159,359	1,109,120
	Total Inf./Orig./Termination Expenses	\$ 20,913,265	\$ 3,853,468
	<u>Cable and Wire Facilities Expenses</u>		
6411	Poles Expense	\$ 1,524,333	\$ 115,115
6421	Aerial Cable Expense	12,868,008	(214,147)
6422	Underground Cable Expense	2,753,643	183,172
6423	Buried Cable Expense	37,320,353	2,030,549
6424	Submarine Cable Expense	228	(124)
6425	Deep Sea Cable Expense	0	0
6426	Intrabuilding Network Cable Expense	1,942	(1,012)
6431	Aerial Wire Expense	(131,028)	(165,672)
6441	Conduit Systems Expense	235,786	(265)
	Total Cable and Wire Facilities Expenses	\$ 54,573,265	\$ 1,947,616
	Total Plant Specific Operations Expense	\$ 169,474,189	\$ 25,618,490

SOUTHWESTERN BELL TELEPHONE COMPANY

PROC ENTITY - ALL STATE - KANSAS

AREA - ALL

REPORT PERIOD - YEAR END 1994

REPORT PERIOD - AS REQD

PROGRAM - FOCCAP1

REPORT - CAP1 EXPENSE MATRIX TOTALS BY FINAL ACCOUNT FOR KANSAS

TODAY'S DATE - 01/12/95

PAGE - 2

MAIN ACCOUNT	DESCRIPTION	SALARIES AND WAGES	SOCIAL SECURITY	RELIEF AND PENSIONS	OPERATING RENTS	OTHER EXPENSES	ACCOUNT TOTAL
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6362 OTHER TERMINAL EQUIP EXPENSE

63XX TOTAL INFO ORIG/TERM EXP

6411 POLES EXPENSE

6421 AERIAL CABLE EXPENSE

6422 UNDERGROUND CABLE EXPENSE

6423 BURIED CABLE EXPENSE

6424 SUBMARINE CABLE EXPENSE

6425 DEEP SEA CABLE EXPENSE

6426 INTRABUILDING NTWK CABLE EXP

6431 AERIAL WIRE

6441 CONDUIT SYSTEMS EXPENSE

2260.11 ← 10893.51 1114.78

64XX TOTAL CBLE/WIRE FACIL EXP

TOTAL PLANT SPECIFIC OPER EXP

6511 PROP HELD FOR FUT TELCOM USE

6512 PROVISIONING EXPENSE

6512 CLEARANCE

NET BALANCE

651X TOTAL OTH PROP PLT/EQ EXP

6531 POWER EXPENSE

6532 NETWORK ADMINISTRATION EXPEN

6533 TESTING EXPENSE

6534 PLANT OPERATIONS EXPENSE

6534 CLEARANCE

NET BALANCE

6535 ENGINEERING EXPENSE

6535 CLEARANCE

NET BALANCE

653X TOTAL NETWORK OPER EXPEN

6540 ACCESS EXPENSE

PROPRIETARY: NOT FOR DISCLOSURE OUTSIDE OF SOUTHWESTERN BELL TELEPHONE COMPANY EXCEPT UNDER WRITTEN AGREEMENT

EXHIBIT “D”

PART 31,
ACCOUNTS 675 AND 6535

§ 31.674

paving and of premiums on bonds required under the general terms of a franchise or ordinance and not in connection with specific construction or maintenance work.

(b) This account shall include also amounts paid for franchises running for 1 year or less after acquisition and may include direct charges for franchises acquired at small cost.

(c) Amounts charged to this account involving no direct money outlay, such as standard rates for telephone service rendered without charge, shall be credited to account 676, "Telephone franchise requirements—Cr."

NOTE A: The cost of plants, supplies, etc., given as an initial consideration for a franchise running for more than 1 year shall be charged to account 202.

NOTE B: Franchise taxes paid annually or more frequently shall be charged to account 307. "Other operating taxes."

NOTE C: The cost of plant used by a municipality without charge, or used by the company in rendering services to a municipality without charge, shall be included in the appropriate telephone plant accounts; maintenance expenses incurred in connection with such plant shall be charged to the appropriate maintenance accounts.

NOTE D: The cost of reconstructing or changing the location of plant to conform with municipal requirements including such work required under the provisions of a franchise or ordinance, shall be charged to the maintenance, telephone plant, and depreciation reserve accounts appropriate for the work performed.

NOTE E: The accounting for amortization of limited term franchises carried in account 202 shall be as provided in account 613.

[28 FR 13039, Dec. 5, 1963, as amended at 34 FR 9867, June 26, 1969; 36 FR 8375, May 5, 1971]

§ 31.674 General services and licenses.

This account shall include amounts payable for services received under a license agreement, a general service contract, or other arrangement providing for the furnishing of general accounting, engineering, financial, legal, patent, and other general services.

§ 31.675 Other expenses.

This account shall include all operating expenses not properly chargeable to other accounts.

47 CFR Ch. I (10-1-86 Edition)**ITEMS**

(Note § 31.01-8)

Amounts paid for patents having an estimated service life of 1 year or less and patents acquired at small cost.

Association dues.

Commissions paid agents for leasing space to others in buildings partly occupied by the company in connection with its telephone operations.

Cost of publishing reports to stockholders, notices of stockholders' meetings, election of directors, conversion of bonds, and dividends declared.

Cost of valuations, inventories, and appraisals of telephone plant made for rate case purposes, and those taken in compliance with orders of Federal, State, or other regulatory authorities. (See also Notes B and C to this account.)

Fees and expenses of directors.

Fees of agents for registrations and transfers of outstanding capital stock.

Franks for use of officers and employees, cost of printing.

General audit of company's books by audit company, cost of.

House service furnished for space leased to others when not specifically reimbursed.

Losses from foreign exchange. (Note also § 31.01-7.)

NOTE A: The accounting for amortization of patents carried in account 203 shall be as provided in account 613.

NOTE B: The cost of valuations, inventories, and appraisals taken in connection with the contemplated purchase or sale of property shall be charged to account 139 pending further disposition.

NOTE C: The pay and expenses of officers and employees performing incidental services in valuations, inventories, and appraisals shall be included in the accounts ordinarily charged with their pay and expenses. (Note also § 31.6-63.)

[28 FR 13039, Dec. 5, 1963, as amended at 36 FR 8375, May 5, 1971]

§ 31.676 Telephone franchise requirements—Cr.

This account shall be credited with amounts charged to account 673, "Telephone franchise requirements," for which there is no direct money outlay, such as standard rates for telephone service furnished without charge to municipalities in accordance with franchise requirements.

§ 32.6530

filling requisitions from stock, monitoring and replenishing stock levels, delivery of material, storage, loading or unloading and administering the reuse or refurbishment of material. Also included are adjustments resulting from the annual or more frequent inventory of material and supplies.

(b) Credits shall be made to this account for amounts transferred to construction and/or to plant specific operations expense. These costs are to be cleared by adding to the cost of material and supplies a suitable loading charge. (See also § 32.5999(f)(5) of this subpart.)

§ 32.6530 Network operations expenses.

This account number shall be used by Class A telephone companies to summarize for reporting purposes the contents of Accounts 6531 through 6535. Class B telephone companies shall use this account for expenses of the type and character required of Class A companies in Accounts 6531 through 6535.

§ 32.6531 Power expense.

This account shall include the cost of electrical power used to operate the telecommunications network.

§ 32.6532 Network administration expense.

This account shall include costs incurred in network administration. This includes such activities as controlling traffic flow, administering traffic measuring and monitoring devices, assigning equipment and load balancing, collecting and summarizing traffic data, administering trunking, and assigning interoffice facilities and circuit layout work.

§ 32.6533 Testing expense.

This account shall include costs incurred in testing telecommunications facilities from a testing facility (test desk or other testing system) to determine the condition of plant on either a routine basis or prior to assignment of the facilities; receiving, recording and analyzing trouble reports; testing to determine the nature and location of reported trouble condition; and dispatching repair persons or otherwise initiating corrective action. (Note also § 32.5999(b)(3) of this subpart.)

47 CFR Ch. I (10-1-89 Edition)**§ 32.6534 Plant operations administration expense.**

(a) This account shall include costs incurred in the general administration of plant operations. This includes supervising plant operations (except as specified in § 32.5999(a)(3) of this subpart; planning, coordinating and monitoring plant operations; and performing staff work such as developing methods and procedures, preparing and conducting training (except on-the-job training) and coordinating safety programs.

(b) Credits shall be made to this account for amounts transferred to Construction accounts. These amounts shall be computed on the basis of direct labor hours. (See § 32.2000(c)(2)(ii) of Subpart C.)

§ 32.6535 Engineering expense.

(a) This account shall include costs incurred in the general engineering of the telecommunications plant which are not directly chargeable to an undertaking or project. This includes developing input to the fundamental planning process, performing preliminary work or advance planning in connection with potential undertakings, and performing special studies of an engineering nature.

(b) Credits shall be made to this account for amounts transferred to Construction accounts. These amounts shall be computed on the basis of direct labor hours. (See § 32.2000(c)(2)(ii) of Subpart C.)

§ 32.6540 Access expense.

(a) This account shall include amounts paid by interexchange carriers or other exchange carriers to another exchange carrier for the provision of carrier's carrier access.

(b) Subsidiary record categories shall be maintained in order that the entity may separately report interstate and intrastate carrier's carrier expense. Such subsidiary record categories shall be reported as required by Part 43 of this Commission's Rules and Regulations.

[52 FR 43917, Nov. 17, 1987]

§ 31.705

Repairs of furniture and office equipment, and cost and repairs of individual items of small value or short life.

Transportation charges, undistributed. (See also Note B to this account.)

Traveling expenses.

NOTE A: So far as practicable, cash and other discounts on materials shall be deducted in determining the cost of the particular material to which they relate or credited to the account to which the material is charged.

NOTE B: Transportation charges on material purchased shall be, so far as practicable, included as a part of the cost of the particular material to which they relate.

[28 FR 13039, Dec. 5, 1963, as amended at 30 FR 13950, Nov. 4, 1965; 36 FR 8375, May 5, 1971]

§ 31.705 Engineering expense.

(a) This account shall include the expenses of the general engineering department.

(b) Amounts in this account representing pay and expenses of personnel while assigned to other than minor or routine jobs shall be cleared by apportionment to the appropriate accounts on the basis of the service rendered, as determined by the time devoted to particular jobs. Amounts remaining, including the pay and expenses of supervisory personnel, and of employees engaged in clerical, reproduction and record work and similar activities, may be cleared on such equitable basis as may be appropriate.

ITEMS

(Note § 31.01-8)

Books and periodicals.

Engineering officials and employees, pay and expenses of.

House service. (Note also account 707.)

Office supplies.

Postage, printing, and stationery.

Rent paid for and repairs of rented offices. (Note also § 31.2-23.)

Repairs of furniture and office equipment, and cost and repairs of individual items of small value or short life.

Tools and instruments of small value or short life.

Traveling expenses.

NOTE: Expenses included in this account incurred in connection with projects which are abandoned shall be cleared to account 323, "Miscellaneous income charges," if they pertain to construction projects and to account 370, "Extraordinary income

47 CFR Ch. I (10-1-86 Edition)

charges," if they pertain to contemplated purchases or sales. (See also § 31.139.)

[28 FR 13039, Dec. 5, 1963, as amended at 34 FR 9867, June 26, 1969]

§ 31.706 Plant supervision expense.

(a) This account shall include the expense of general supervision of the maintenance and construction of the plant where a department of the company's organization is charged with both maintenance and construction.

(b) Amounts in this account, other than charges for plant engineering, shall be cleared on the basis of labor supervised. Charges for plant engineering representing pay and expenses of personnel while assigned to other than minor or routine jobs shall be cleared by charges to the appropriate accounts on the basis of the time devoted to particular jobs. Charges for plant engineering remaining, including the pay and expenses of supervisory personnel, and of employees engaged in clerical, reproduction and record work and similar activities, may be cleared on such equitable basis as may be appropriate.

ITEMS

(Note § 31.01-8)

Books and periodicals.

House service. (Note also account 707.)

Office supplies.

Plant supervising officers and their staffs, including engineers, office and field forces charged with planning for and superintending the work of maintenance and plant construction, pay and expenses of. (See also note to this account.)

Postage, printing, and stationery.

Rent paid for and repairs of rented offices. (Note also § 31.2-23.)

Repairs of furniture and office equipment, and cost and repairs of individual items of small value or short life.

Traveling expenses.

NOTE: The pay and expenses of foremen in direct charge of jobs, general foremen and other supervisory employees not engaged in the general supervision of maintenance, construction, and plant removals, such as local plant administrative employees whose duties are limited as to functions or areas shall be included in the cost of the work supervised and not charged to this account.

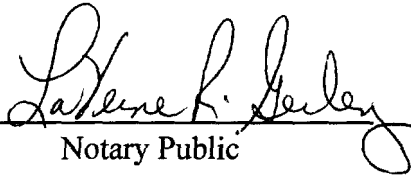
**AFFIDAVIT OF
ALBERT K. SPEARS**


Albert K. Spears

State of Missouri

City of St. Louis

Subscribed and sworn to before me this 2ND day of October, 1996.


Notary Public

LAVERNE R GERLEY
NOTARY PUBLIC STATE OF MISSOURI
ST. LOUIS COUNTY
MY COMMISSION EXP. OCT. 11, 1996

CERTIFICATE OF SERVICE

I, Katie M. Turner, hereby certify that the foregoing, "Response Of Southwestern Bell Telephone Company" in CS Docket No. 96-181 PA 95-008 has been filed this 3rd day of October, 1996 to the Parties of Record.

A handwritten signature in cursive script that reads "Katie M. Turner". The signature is written in black ink and is positioned above a horizontal line.

Katie M. Turner

October 3, 1996

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